

## **News Alert – Changes to COBRA Notices are Implemented**

The Department of Labor (“DOL”) recently announced proposed regulations, which will require significant updates to employer COBRA notices given to eligible employees. Additionally, the Department of Health and Human Services (“HHS”) announced a new Special Enrollment Period for all current COBRA enrollees to enroll in a health plan through the Federal health insurance Exchange. The information below provides a quick summary of the updates and regulations. If you have any questions or would like to seek additional guidance, please contact your local account representative.

### **DOL & COBRA Update**

As mentioned above, the DOL has announced significant changes to their model COBRA notices, including the new requirement to notify eligible individuals of their option to enroll in a health insurance plan through the Federal Exchange instead of continuing their coverage under COBRA. The new model notices may be found here: <http://www.dol.gov/ebsa/cobra.html>. It is important to note that use of the model notice is not required, per se, or required to replace your existing COBRA notices. However, existing COBRA notices must be updated to include the new information. Furthermore, it is advised that the new model language or updated information be implemented with your COBRA notices beginning June 1, 2014, or as soon as administratively possible.

### **HHS Update**

Additionally, on May 2<sup>nd</sup>, 2014, HHS announced a new Special Enrollment Period for current COBRA enrollees. This Special Enrollment Period is based on the idea that previous Model COBRA Continuation Coverage Election Notices were insufficient to inform COBRA enrollees of their ability to enroll in a health plan through Federal or State health insurance Exchanges. Current COBRA enrollees have until July 1, 2014 to call the Federal Exchange to request this Special Enrollment Period.

To review, Special Enrollment Periods for the Federal Exchange exist to persons eligible for COBRA when: (1) such persons initially are eligible for COBRA due to a loss of other minimum essential coverage; and (2) when such persons’ COBRA coverage is exhausted. Important to note is that a person does not attain a Special Enrollment Period by simply not paying for his/her COBRA and losing such coverage via non-payment. Should this occur, the beneficiary could be out of health coverage until the next open enrollment on the Exchange.

In addition to the conditions above, COBRA beneficiaries are also able to enroll in a health plan at the Federal Exchange during the annual open enrollment period or if they are determined eligible for any other Special Enrollment Periods outside of the open enrollment period. With the new guidance and updates, in addition to those options detailed above, current COBRA enrollees have a Special Enrollment Period through July 1, 2014. As such, employers should update their COBRA notices accordingly and implement such COBRA notices as soon as administratively possible.

### Next Steps

In order to ensure your COBRA notices are up-to-date with the new requirements and proper information, or if you have any questions on the information above, please contact your local account representative.